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C O N F I D E N T I A L BRATISLAVA 001115

SIPDIS

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TAGS: <u>PGOV PINR LO</u>
SUBJECT: ETHNIC HUNGARIAN AND SLOVAK PARTIES SQUARE OFF

Classified By: DCM Scott N. Thayer for reasons 1.4(b) and (d).

(SBU) Relations between the Hungarian Coalition Party (SMK) and the other three parties of the governing coalition have suffered due to what many ethnic Slovak politicians see as growing radicalism within the SMK. During the summer, the SMK demanded that parliament adopt Hungarian as an official language, renewed public discussion about "autonomy" for parts of southern Slovakia, and pushed for a new Environment Fund beyond the control of the Ministry of Finance. These initiatives came against a backdrop of concern among Slovak politicians that SMK-led local government decisions concerning education and employment were increasingly being made according to ethnicity. Slovak parties decided to counter these trends by uniting forces against the SMK in the next local elections in certain regions, to which Hungarian politicians reacted angrily. Distrust between the Hungarian party and coalition partners will likely increase in the lead-up to regional and parliamentary elections. Nonetheless, the SMK remains a strong supporter of PM Dzurinda's reform agenda, and the government will not fall over these disagreements. End Summarv.

New Cracks in the Relationship

- 12. (SBU) In contrast to the first Dzurinda government (1998-2002) when SMK threatened to withdraw from the coalition on a number of occasions, the current coalition has maintained stable relations. SMK has defended unpopular initiatives from Hungary, such as the Status Law and the recent referendum on dual citizenship for all ethnic Hungarians, but the GOS overcame these differences of opinion. However, relations between the SMK and other government members have become strained along ethnic lines in the lead up to regional elections in November 2005.
- 13. (C) In August, three separate SDKU officials told us that the SMK seemed increasingly radical with demands to speak Hungarian in Parliament and talk of "autonomy" in some regions of southern Slovakia. Tatiana Rosova, Dzurinda's public opinion advisor, mentioned that the prime minister was unhappy about SMK's statements, which he believed were supported not only by a few outspoken nationalistic politicians, but also by SMK Chairman Bela Bugar. (Note: According to November polling, Bela Bugar ranked as the third most trusted Slovak politician, ahead of all other members of the GOS). Rosova added that the SMK strategically had waited until EU entry to launch new initiatives concerning ethnic issues. Kamil Homola, Director of the SDKU's central office, expressed concern about complaints from ethnic Slovaks in mostly-Hungarian villages that SMK has pushed many Slovaks out of local positions. He also confided that SDKU MEPs said SMK MEPs were more interested in representing Hungarian concerns in Brussels, than in speaking for Slovakia. Tomas Galbavy stated that recent demands went beyond acceptable limits. He added that the SMK is strongly influenced by the Hungarian party FIDESZ and its chairman Viktor Orban, who encourages ethnic Hungarians to press for greater autonomy.

Ganging-Up on Hungarians

 $\P 4$. (C) Recently, SDKU started discussions in the Nitra region on forming local coalitions, excluding the SMK but leaving the door open to other Slovak parties including Vladimir Meciar's HZDS. Nitra has one of the largest ethnic Hungarian populations. SMK politicians reacted angrily even though in the previous regional elections they ran on a single ticket. In 2001, SMK swept four districts in Nitra claiming nearly 60 percent of the vote. The three remaining districts went to an opposition coalition (HZDS, Smer, SDL, SOP), without a single seat gained by other governing coalition parties. similar situation occurred in Trnava where the SMK won 14 seats and the Christian Democrats (KDH) received two seats, with the remainder of the 40 seats going to a coalition of opposition parties. In the Kosice region, SMK ran with SDKU and Smer, and they won the majority of seats. (Note: In the 2001 regional elections, most coalitions at the local level were formed independen of national politics based on local conditions and personalities.) SMK appealed to coalition partners to open negotiations in Nitra, but so far there has been no response.

15. (C) Dzurinda stated that current discussions about candidate lists are not meant to "be against" any one party, but are intended to allow each party to successfully utilize its potential in the region. MP Alexej Ivanko from the break-away Freedom Forum confirmed that local coalitions of Slovak parties in some regions will likely be formed consisting of both governmental and opposition candidates. He said Slovak politicians are growing increasingly concerned with the SMK monopoly in Nitra and suspect that money is not being equitably distributed. Even some prominent ethnic

Hungarian activists commented that the Hungarian dominance in the region has lead to increased cronyism and misconduct.

SMK Hungarian Nationalists Strengthen

 $\P6.$ (C) The push by SMK to adopt Hungarian as an official language of Parliament created concern not only among Slovak coalition members, but also among some SMK members. Pal Farkas told poloffs that he was not pleased about the ultimate direction of the party after Miklos Duray's Coexistence faction, formerly a stand-alone Hungarian

nationalist party before joining the SMK, was significantly strengthened in the last party elections. At the 2003 party congress, Duray's wing won five of the eight vice-chairmanships of the party; both MEPs elected on the SMK ticket are Duray supporters. At a recent party congress, SMK leaders decided to ignore party statutes requiring elections to replace officers that left for the European Parliament, in order not to further strengthen Duray's position. (Comment: There is real difference of opinion about the long-term role of Coexistence. Some other SMK members are dismissive, portraying its adherents as largely older, rural, and less educated, and thus destined for eventual political oblivion. Others, however, note that since he is the only senior SMK leader without a government position, he has the time and ability to act independent politically. He also is the most

17. (C) SMK Chairman Bela Bugar told the Ambassador that the rhetoric is just that--mostly superficial. He reminded the Ambassador that the SMK is also a coalition party, with three wings that he must hold together. Therefore, he must do lip service to some of the more extreme views. (Comment: United, the SMK wins a steady 10-11 percent of the vote. If it were to split, there might not be any Hungarians in government because the micro-parties probably would not obtain the required 5 percent minimum. End comment.)

active in trying organize and influence Hungarian youth. End

New Ministry Environment Fund Criticized

18. (SBU) In October, SMK Environmental Minister Laszlo Miklos proposed creating an off-budget fund for environmental projects to distribute approximately one billion SKK (33 million USD). Coalition parties opposed the idea, saying that the fund would be ineligible for audit, which sets a dangerous precedent and is not transparent. SMK overturned a presidential veto of the law creating the new fund with the support of opposition parties, which was the first time SMK lobbied across the aisle. Observers predict that this new fund will be the SMK "cash cow" used to pay for favors and finance election campaigns.

Comment

 $\underline{\P}$ 9. (SBU) SMK has been a reliable partner in the governing coalition. Bela Bugar has openly criticized PM Dzurinda's leadership style, and even suggested he resign after Ivan Simko resigned from the SDKU with several other MP's, but the personality conflicts did not hinder the government's reform program. As Slovakia enters the pre-election period (regional elections are scheduled for November 2005 and national elections for November 2006), the SMK is focused on its own political agenda and on rewarding supporters. The ongoing debates on minority issues, especially the December 5 referendum in Hungary on dual citizenship for all ethnic Hungarians, are likely to energize voters and further strengthen the nationalist wing in SMK. Thus there will be a multi-layerd relationship between the "Slovak" coalition parties and the SMK. They will cooperate on a national agenda while competing for electoral seats at the local level, and will keep a careful watch on SMK management of the Environment and Construction Ministries that control generous resources from EU funds. WEISER